

and records documenting the eligibility of each family selected for homeownership.

(d) *Rehabilitation standards.* The recipient must maintain written rehabilitation standards required by § 572.100(d)(5).

(e) *Cooperative and condominium agreements.* The recipient must maintain a copy of any condominium and cooperative association agreements for properties under a homeownership program approved under this part.

(f) *Amounts available for reuse.* The recipient must keep and make available to HUD all records necessary to calculate accurately payments due to HUD under § 572.135(b) and (c).

(g) *Access by HUD and the Comptroller General.* For purposes of audit, examination, monitoring, and evaluation, each recipient must give HUD (including any duly authorized representatives and the Inspector General) and the Comptroller General of the United States (and any duly authorized representatives) access to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this part, including all records required to be kept under this section.

(h) *Reports.* The recipient must submit reports required by HUD.

(Approved by the Office of Management and Budget, with respect to implementation grants, under control number 2506-0128)

PART 573—LOAN GUARANTEE RECOVERY FUND

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AUTHORITY: Pub. L. 104-155, 110 Stat. 1392, 18 U.S.C. 241 note; 42 U.S.C. 3535(d).

SOURCE: 61 FR 47405, Sept. 6, 1996, unless otherwise noted.

§ 573.1 Authority and purpose.

Section 4 of the Church Arson Prevention Act of 1996 (Pub. L. 104-155, approved July 3, 1996) authorizes HUD to guarantee loans made by financial institutions to certain nonprofit organizations to finance activities designed to remedy the damage and destruction to real and personal property caused by acts of arson or terrorism. This part establishes the general procedures and requirements that apply to HUD's guarantee of these loans.

§ 573.2 Definitions.

The following definitions are only applicable to loan guarantees under this part, and are not criminal definitions.

Act means “The Church Arson Prevention Act of 1996” (Pub. L. 104-155, approved July 3, 1996).

Arson means a fire or explosion causing damage to (or destruction of) real or personal property that a Qualified Certification Official determines, or reasonably believes, to be deliberately set.

Borrower means an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose property has been damaged or destroyed as a result of an act of arson or terrorism and that incurs a debt obligation to a financial institution for the purpose of carrying out activities eligible under his part.

Financial Institution means a lender which may be a bank, trust company, savings and loan association, credit union, mortgage company, or other issuer regulated by the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Credit Union Administration, or the U.S. Comptroller of the Currency. A Financial Institution may also be a Pension Fund.

Guarantee means an obligation of the United States Government guaranteeing payment of the outstanding principal loan amount, in whole or in part, plus interest thereon, on a debt obligation of the Borrower to a Financial Institution upon failure of the Borrower to repay the debt.

Guaranteed Loan Funds means funds received by the borrower from the Financial Institution to finance eligible activities under this part, the repayment of which is guaranteed by HUD.